

111TH CONGRESS
1ST SESSION

H. R. 1624

To amend the Internal Revenue Code of 1986 to exclude from the gross income of members of the uniformed services of the United States certain amounts of military basic pay.

IN THE HOUSE OF REPRESENTATIVES

MARCH 19, 2009

Mr. BILIRAKIS (for himself and Mr. CARNEY) introduced the following bill;
which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to exclude from the gross income of members of the uniformed services of the United States certain amounts of military basic pay.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Military Personnel In-
5 come Tax Exclusion Act”.

1 **SEC. 2. EXCLUSION FROM GROSS INCOME FOR CERTAIN**
2 **AMOUNTS OF BASIC PAY.**

3 (a) IN GENERAL.—Subsection (a) of section 134 of
4 the Internal Revenue Code of 1986 (relating to exclusion
5 for certain military benefits) is amended to read as fol-
6 lows:

7 “(a) GENERAL RULE.—Gross income shall not in-
8 clude—

9 “(1) any qualified military benefit, and

10 “(2) so much of the basic pay received for ac-
11 tive service as a member of the uniformed services
12 of the United States (which would, but for this para-
13 graph, be includible in gross income) to the extent
14 that the rate of such pay does not exceed the highest
15 rate payable for the E–1 pay grade.”.

16 (b) EXCLUDED AMOUNTS COUNTED AS INCOME FOR
17 CERTAIN PURPOSES.—

18 (1) REFUNDABLE PORTION OF CHILD CRED-
19 IT.—Paragraph (1) of section 24(d) of such Code is
20 amended by inserting “or 134(a)(2)” after “112”.

21 (2) EARNED INCOME CREDIT.—Clause (vi) of
22 section 32(c)(2)(B) of such Code is amended by in-
23 serting “or 134(a)(2)” after “112”.

24 (3) MAKING WORK PAY CREDIT.—Paragraph
25 (2) of section 36A(d) of such Code is amended by
26 inserting “or 134(a)(2)” after “112”.

1 (4) RETIREMENT SAVINGS.—Paragraph (7) of
2 section 219(f) of such Code is amended to read as
3 follows:

4 “(7) SPECIAL RULE FOR CERTAIN COMPENSA-
5 TION EARNED BY MEMBERS OF THE ARMED
6 FORCES.—For purposes of subsections (b)(1)(B) and
7 (c), the amount of compensation includible in an in-
8 dividual’s gross income shall be determined without
9 regard to sections 112 and 134(a)(2).”.

10 (5) WITHHOLDING.—Paragraph (1) of section
11 3401(a) of such Code is amended to read as follows:

12 “(1) for active service performed in a month for
13 which such employee is entitled to the benefits of
14 section 112 (relating to certain combat zone com-
15 pensation of members of the Armed Forces of the
16 United States) or section 134(a)(2) (relating to cer-
17 tain military benefits) to the extent remuneration for
18 such service is excludable from gross income under
19 section 112 or 134(a)(2), as the case may be.”.

20 (c) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to amounts paid after December
22 31, 2008, in taxable years ending after such date.

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